BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **BC's export mix has changed considerably since the 1950s, but lumber and pulp are still the province's two key export items.** They made up 49% of provincial exports in 1956, and 43% in 1996. Some commodities, like whale oil, furs and asbestos, have disappeared or all but disappeared from the province's export mix, but most products exported forty years ago are still being exported today. However, the relative importance of some has declined as new products have been added to the export mix. In 1956, about 90% of exports were concentrated in forestry, fishery and mineral products. By the mid-1990s, this had dropped to about 80%. New products like motor vehicle parts, wine, cranberries, ginseng and mushrooms have emerged to take the place of those which are dwindling in importance or are no longer produced in BC.

  Source: BC STATS

- **The value of building permits issued by BC municipalities fell 7.8% (seasonally adjusted) between October and November.** Both residential (-5.6%) and non-residential (-11.0%) building permits were down. Construction intentions softened during 1997, and year-to-date, the value of permits was down 8.3% from the first 11 months of 1996.

  Nationally, the value of building permits rose 8.4% in November, led by a 16.7% increase in planned non-residential construction. Residential permits increased a more moderate 2.0%. Weakness in most of Atlantic Canada and BC was offset by gains in Ontario (1.4%), Quebec (9.5%) and two of the three prairie provinces. Permits were up 57.1% in Alberta and increased 18.5% in Saskatchewan. *Source: Statistics Canada*

Housing

- **Sales of existing homes in British Columbia declined 7.2% (seasonally adjusted) between October and November.** Home sales fell 8.8% at the national level.

  Source: Canadian Real Estate Assn, MLS Statistics

Census 96: Aboriginals

- **In 1996, one in six Canadians who identified themselves as aboriginals (North American Indian, Metis or Inuit) lived in British Columbia.** The province's aboriginal population was 139,655, making up 3.8% of BC's total population, but 17.5% of the Canadian aboriginal population. The Vancouver area was home to 31,140 aboriginals. The aboriginal population is considerably younger than BC's non-aboriginal population. In 1996, one in three aboriginals were less than fifteen years old, compared to one in five non-aboriginals. Similarly, while more than a third of non-aboriginals living in BC were 45 or older, only about a sixth of the aborginal population was in this age group.

  Source: SC, 1996 Census of Canada

Credit Unions

- **Credit unions in British Columbia had a total membership of 1.4 million people in 1996.** This translates into 36% of the province's population, up from 33% in 1991, when there were 1.1 million credit union members in BC.

  Source: Credit Union Central of BC, Annual Report, 1996

Tourism

- **Provincial room revenues fell 2.2% (seasonally adjusted) between August and September to $94.4 million.** However, due to strong growth earlier in the year, revenue was 4.3% higher than in September 1996.

Report **From whale oil to ginseng**

Did you know...?
Opera is slightly less popular with Canadians than country and western music. In 1992, 4.4% of Canadians attended the opera, but 4.5% went to a country and western performance.

Revenues were down in all regions of the province except Northeast, where they rose 21.6%, and Cariboo, where they were unchanged from the previous month. Accommodation properties in northeastern BC have benefitted from increased business due to an upswing in oil and gas activity in that part of the province. Room revenues were down 9.3% in Nechako, with more moderate decreases (ranging from 3.8% in Kootenay to 1.6% in Mainland/Southwest) in the rest of BC. *Source: BC STATS*

- **Passenger traffic through Victoria International airport was up 12.7% in 1997**. Last year, 1,103,000 passengers used the airport, compared to 979,000 in 1996. Usage of the airport has been increasing steadily, with passenger traffic rising more than 50% since 1993.
  Source: Victoria Airport Authority

- **Usage of the Coquihalla highway by private vehicles decreased marginally in 1997, falling 0.4% to 2.3 million passenger vehicles.** However, more commercial vehicles used the highway in 1997 than in the previous year. Toll revenues collected were up 5.6% to $38.9 million during 1997.
  Source: Ministry of Transportation & Highways data

- **Passenger traffic on BC Ferries was down 0.8% during 1997.** Last year, 22.0 million passengers used the ferry system, compared to 22.2 million in 1996. *Source: BC Ferries data*

- **There were 390,231 direct entries of non-residents into BC in November, 13.2% more than in the same month of 1996.** The increase was almost entirely due to an upswing in the number of Americans visiting the province. US visits were up 15.5% (to 333,317) in November. Visits by residents of other countries rose only marginally (1.2%), as a recovery in the number of visitors from Asia (+8.9%) and 15.9% growth in visits from other parts of the world was offset by a sharp drop (-22.8%) in visits from Europe.

  Vancouver hosted the Economic Leader's meeting of the organization for Asia Pacific Economic Cooperation (APEC) last November, and the increase in visits from Asia may be due to an influx of visitors coming to the province in connection with this event. During most of 1997, visits by tourists from Asia have increased at rates well below those seen in recent years.
  Source: Statistics Canada

- **Same-day trips to BC by US residents were up sharply in November, increasing 21.4% over the same month of 1996.** They accounted for 60% of the visits made by Americans to BC last November. Same-day travel from the US has been on an upswing in recent months. Conversely, fewer Canadians are finding it profitable to shop in the US. In November, same-day car trips to the US from BC were down 1.0%, decreasing for the ninth time since January. Despite the steady decline in same-day travel to the States, Canadians making these trips outnumbered Americans coming the other way more than three to one. *Source: Statistics Canada*

AIDS and HIV Infections

- **During the first nine months of last year, 453 people in British Columbia tested newly positive for HIV infection.** This brought the total number of people testing newly positive for HIV infection since 1985 to 8,878. A total of 2,499 British Columbians have been diagnosed with AIDS since 1983 and 1,890 have died as a result of the disease.
  Source: BC Centre for Disease Control data

Alcohol Use

- **British Columbians aged 15 and over spent an average $531 per capita on alcoholic beverages in 1995/96.** Residents of the province bought an average 110 litres of alcohol in 1995/96: 7 litres of spirits, 15 litres of wine, and 88 litres of beer. The national average was 102 litres (5 litres of spirits, 10 litres of wine, and 86 litres of beer), for a total value of $465 per person. Yukon (183 litres) was the only region of Canada with a higher per capita consumption of purchased alcoholic beverages. Adults in Yukon spent an average $935 each on alcoholic beverages during 1995/96. *Source: SC, Catalogue 63-202-XPB*

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For data originating from Statistics Canada: data sourced to Statistics Canada has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as SC plus the publication name or catalogue number.

Infoline Report:
January 16, 1998

Forty Years Later, Forestry Exports as Important as Ever

Originally published in October 1997 issue of *Exports*. An annual subscription is $60 + GST

There has been much change in British Columbia's export mix since the 1950s, but one feature has remained consistent. Lumber and pulp are still the province's two key export items and, remarkably, are no less important in the export mix of the 1990s, than they were in the 1950s.

Together, lumber and pulp made up 49 per cent of provincial exports in 1956. This ratio has moved up and down since then, but with no persistent trend to increase or decrease. In 1976 and 1994, for example, it was at 49 per cent again, having dipped as low as 40 per cent in the years between. In 1996 it was down again, to 43 per cent.

There were commodities included in the export mix of the 1950s that have disappeared, or all but disappeared, in the export mix of the 1990s. Examples are whale oil, furs and asbestos. But most products exported forty years ago are still being exported today, often in the same or greater physical volumes than the 1950s.

The *relative* importance of many of these traditional exports has diminished, because they have grown less quickly than the total volume of exports. Total exports have expanded very rapidly as new products have been added to the export mix. Lumber and pulp are the important exceptions among traditional exports that have, up to now at least, kept pace with the overall growth of provincial exports.

Because the value of new exports has increased more rapidly than exports of most traditional resource commodities, the province has generally become less dependent on natural resources over the past forty years. In 1956 about 90 per cent of exports were concentrated in forestry, fishery and mineral products. By the mid 1990s, this had dropped to about 80 per cent. While still high, the ratio has been falling faster than ever before during the 1990s, as a rapidly globalising world economy has encouraged new export oriented production in the province.

Some Resource Exports Fade From Prominence

Although lumber and pulp are still as prominent in the province's export mix as they were in the 1950s, other forestry products are not. Wooden shakes and shingles, for example, were a very significant 4 per cent of total exports in 1956, but have dropped to just 1 per cent in 1996. Like most relative export declines, this mainly reflects faster growth in the value of other export commodities. However, this may be changing in the 1990s as production has begun to be restrained by dwindling supplies of red cedar logs.

Limited natural resource supplies have also restrained export growth for canned salmon. This product comprised 2 per cent of all British Columbia's exports in 1956, but only 0.5 per cent in 1996.

The story is quite different for salmon shipped in fresh or frozen form. This export category accounted for about the same 1 per cent of total exports in both 1956 and 1996. Dwindling stocks of ocean caught fish have not constrained export growth to the same extent because much or most salmon exported in this form are the product of fish farms that have sprung up along the British Columbia coastline in the 1990s. In the 1950s these exports were produced entirely from the open ocean fishery. The value of fresh and frozen salmon exports were also boosted by rising prices during much of this decade.

Metallic minerals were less prominent in the province's 1996 export mix than they were in the mix of 1956. For example, exports of zinc metal amounted to more than 5 per cent of total exports in 1956, but only 1 per cent in 1996. Similarly, lead exports went from 3 per cent of total exports to 0.3 per cent. Both of these metals are products of the 92 year old Cominco smelter operations at Trail.

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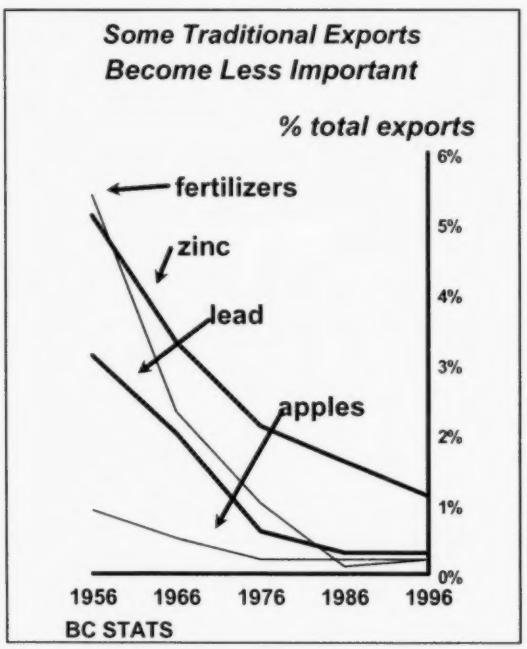
These operations also produced large volumes of fertiliser, much of it for export. In 1956 fertiliser accounted for over 5 per cent of total provincial exports. This ratio gradually shrank over the years as growth in fertiliser shipments failed to keep up with rising exports of other products. The closure of the Kimberly fertiliser operations in 1987 sharply reduced provincial production, so that by 1996 fertiliser exports had shrunk to a relatively minor 0.2 per cent of total exports.

Apples are an agricultural export that has become less important than it once was. At one time one of the trade mark exports identified with British Columbia, like salmon or douglas fir lumber, apples have since become a relatively minor trade commodity. In 1956 apples accounted for 1 per cent of total exports. By 1996, this had shrunken to 0.2 per cent.

Exports that have slipped down the province's export mix over the past forty years have mainly been raw or semi-processed agricultural and natural resource commodities. However, they also include some secondary manufactured products. Heavy industrial trucks are one example.



In the 1980s, British Columbia was home to three substantial truck manufacturing operations, established mainly to serve local resource industry needs. Exports of the truck manufacturing industry amounted to $137 million in 1986, more than one per cent of total provincial exports in that year. The industry shrank over the years and, by the mid-1990s, only one British Columbia truck manufacturer remained in operation – Western Star Trucks of Kelowna. In 1996, total provincial exports of trucks and parts amounted to $53 million, or 0.2 per cent of total exports.

Whiskey is another secondary manufactured product that has declined in importance as a provincial export. Whiskey accounted for about 1 per cent of total exports in much of the 1950s and 1960s. But by 1996 whiskey exports fell to negligible amounts with the closure of the province's only major distillery operation.

New Exports Replacing Old

While exports of some secondary manufactured products have shrunk, their loss has been more than made up for by others.

For example, as exports of assembled trucks have fallen off, exports of motor vehicle parts have been rising. Vehicle parts are being produced by manufacturers of plastic products, electronic goods and metal products who have been discovering opportunities for growth within the more liberalised North American trading environment. By far the largest of these is the Toyota wheel plant in Delta.

Dwindling whiskey exports have been more than made up for by exports of non-alcoholic drinks, such as mineral water and soft drinks. In 1996, exports of mineral water and soft drinks amounted to $55 million, far exceeding the $2 million of whisky exports in that year. If recent investment trends continue, these may be augmented in the next few years by exports from the rapidly expanding wine industry. Wine exports were a mere $300 thousand in 1996, but approached $2 in the January to October period of 1997.

New exports have also replaced old in agriculture. Cranberries, ginseng and mushrooms have emerged as the up and coming agricultural exports of the 1990s, with 1996 exports of $26 million, $10 million, and $22 million, respectively.

In the mining and energy sector, long term relative export declines for zinc and lead have been balanced by fast growing exports of coal and natural gas. Coal exports rose from 0.3 per cent of total exports in 1956 to 8 per cent in 1996. Natural gas exports were negligible in 1956, but amounted to 2 per cent of total exports in 1996. Natural gas is likely to become a still larger component of the provincial export mix in 1997 and 1998 with the completion of new pipelines and gas processing facilities.

The new export products of the 1980s and 1990s have contributed a great deal to economic growth. Their addition to the province's export mix has helped boost exports from 19 per cent of gross domestic product in 1981, to 28 per cent in 1996.

The increasing importance of exports for economic growth accentuates the need to further extend the range of goods shipped to international markets beyond the traditional natural resource commodities. With forest yields approaching or having already reached maximum sustainable yields for commercially viable timber, it is unlikely that lumber and pulp can continue to support the same export growth they have in the past. Future exports, and the jobs associated with them, will have to come increasingly from non-resource related production.

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Infoline

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BC at a glance . . .

POPULATION (thousands)	Jul 1/97	% change on one year ago
BC	3,933.3	2.0
Canada	30,286.6	1.1
GROSS DOMESTIC PRODUCT		% change on
(BC - at market prices - $ millions)	1996	one year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Oct	2,813	-4.7
Merchandise Exports (raw) Oct	2,014	-14.2
Retail Sales (seasonally adjusted) Oct	2,760	4.9
CONSUMER PRICE INDEX		% change on
(all items - 1986=100)	Nov '97	one year ago
BC	139.6	0.6
Canada	138.0	0.9
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Dec '97	one year ago
Labour Force - BC	2,011	-0.4
Employed - BC	1,838	-0.3
Unemployed - BC	172	-2.2
		Dec '96
Unemployment Rate - BC *(percent)*	8.6	8.7
Unemployment Rate - Canada *(percent)*	8.6	9.7
INTEREST RATES (percent)	Jan 14/98	Jan 15/97
Prime Business Rate	6.00	4.75
Conventional Mortgages - 1 year	6.40	5.20
- 5 year	6.85	7.25
US/CANADA EXCHANGE RATE	Jan 14/98	Jan 15/97
(avg. noon spot rate) Cdn $	1.4345	1.3419
US $ *(reciprocal of above rate)*	0.6971	0.7452
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	Oct '97	one year ago
BC	615.79	0.2
Canada	597.26	0.3

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

Annual Series Available

a-bour Force Survey provides the annual data for 1997. Next week's release of the December 1997 Consumer Price Index on Thursday January 22 means annual data for 1997 will be available. Provincial government clients

Released this week by BC STATS

- Labour Force Statistics, December 1997
- Major Projects Inventory, December 1997
- Tourism Room Revenue, September 1997

Next week

- Consumer Price Index, December 1997
- Small Business Quarterly, Third Quarter 1997

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